



DEPARTMENT OF THE NAVY
NAVAL FACILITIES ENGINEERING COMMAND
WASHINGTON NAVY YARD
1322 PATTERSON AVENUE SE SUITE 1000
WASHINGTON, DC 20374-5065

IN REPLY REFER TO
ACQ/SP-CM
12 Feb 02

MEMORANDUM FOR NAVFAC ACQUISITION PERSONNEL

Subj: INVOICING PROCEDURES (02-06)

Ref: (a) P.L. 104-106, National Defense Authorization Act for FY 1996
(b) DoD FMR, Vol., Ch. 33 (www.dtic.mil/comptroller/fmr/)
(c) NAVFACENGCOM memo ACQ/ASP of 23 Jan 01 (01-01)
(d) NAVFACENGCOM memo ACQ 021 of 6 Feb 01 (01-04)
(e) NAVFACENGCOM memo ACQ/ASP of 8 Feb 01 (01-06)

Encl: (1) ASN (Financial Management and Comptroller) ltr of 23 Aug 99
(2) [NAVFAC Form 7300/32, Prompt Payment Certification and Deduction](#)
(3) [NAVFAC Form 7300/30, Contractor's Invoice, Rev. 01/02](#)
(4) [NAVFAC Form 7300/31, Contract Performance Statement, Rev. 02/01](#)
(5) [Invoice Certification Checklist](#)

1. Reference (a) resulted in requirements established in reference (b) for the appointment of Certifying Officials and Accountable Officials responsible for proper processing of contractor invoices. In addition, initiatives are underway to implement legislative requirements for electronic invoicing processing and payment. Therefore, it is imperative that we establish consistent business practices for invoice processing.

2. Effective immediately, the EFD/A Director of Acquisition will implement the requirement for Certifying Officials and Accountable Officials. Pursuant to reference (b), EFD/A Directors of Acquisition shall appoint in writing Certifying Officials for the purpose of certifying contractor invoices for payment. Enclosure (1) provides samples for the appointment and acknowledgement of appointment for Certifying Officials and Accountable Officials. Certifying Officials must hold a supervisory/team lead position and be a warranted Contracting Officer, such as Supervisory Contract Specialist, ROICC, or DROICC. In addition, it is recommended that the Certifying Official be APC, Level III DAWIA certified.

3. Subsequent to receiving appointment as a Certifying Official, all such persons shall appoint Accountable Officials in accordance with the guidance in reference (b) and enclosure (1).

4. Enclosures (2) through (4) are provided for immediate implementation and use on an interim basis until the electronic invoicing process is fully implemented via the Wide Area Workflow program. Subsequent to references (c), (d), and (e), there has been considerable controversy regarding certification language on the NAVFAC Form 7300/30.

Subj: INVOICING PROCEDURES

The certification language previously provided in references (c), (d), and (e) has been modified as set forth in enclosure (2). Therefore, enclosure (2) shall be utilized for all invoices. Enclosure (5) is a document from the Business Management System (BMS) that contains instructions for completion of enclosure (2), and it is provided for use as deemed appropriate. In addition, enclosures (3) and (4) are provided for use as appropriate.

5. If you have any questions, please contact Ms. Janice Gurganus at (202) 685-9152; DSN 325-9152; e-mail: gurganusjl@navfac.navy.mil.

A handwritten signature in black ink, appearing to read "M. F. Howard", is positioned above the printed name.

MICHAEL F. HOWARD
Director, Acquisition Strategic Programs



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(FINANCIAL MANAGEMENT AND COMPTROLLER)
1000 NAVY PENTAGON
WASHINGTON, D.C. 20350-1000

AUG 23 1999

MEMORANDUM FOR DISTRIBUTION

Subj: DELEGATION OF AUTHORITY TO APPOINT CERTIFYING OFFICERS AND
ACCOUNTABLE OFFICIALS WITHIN THE DEPARTMENT OF THE NAVY

Ref: (a) P. L. 104-106, National Defense Authorization Act
for FY 1996
(b) DoD FMR Vol. 5, Ch. 33

Encl: (1) DoD Directive 7000.15 of 8 Jul 98, DoD Accountable
Officials and Certifying Officers
(2) Sample Certifying Officer Appointment Memorandum and
Sample Acknowledgement Memorandum
(3) Sample Accountable Official Appointment Memorandum and
Sample Acknowledgement Memorandum

The Deputy Secretary of Defense has directed the appointment of certifying officers and accountable officials within the Department of Defense (DoD). Certifying officers are accountable for federal payments. Certifying officers must ensure that payments are legal, proper, and correct by verifying vouchers and other documents that support the use of the government's funds. This personal accountability includes a requirement to reimburse the government, referred to as pecuniary liability, for any payments that are determined to be illegal, improper, or incorrect because of an inaccurate or misleading certification.

Previously, disbursing officers were the only individuals within the DoD that were pecuniarily liable for fiscal irregularities including erroneous payments. However, the civil agencies have designated individuals as certifying officers for a number of years under the authority granted by section 3325 of title 31, United States Code. This section was amended by reference (a) to permit the appointment of members of the armed forces in addition to civilian employees as certifying officers.

Although a certifying officer has pecuniary liability, it is recognized that because of transaction volumes and the complexity of many vouchers, their ability to verify the appropriateness and accuracy of the documentation supporting every payment is significantly reduced. Therefore, certifying officers must rely on the integrity of other individuals and the reliability of supporting systems that are involved in the payment authorization process. For example, certifying officers for the purchase card must depend upon the information provided by cardholders who are in possession of the receipts supporting the purchases being certified. These latter individuals are termed accountable officials. Accountable officials must be

Subj: DELEGATION OF AUTHORITY TO APPOINT CERTIFYING OFFICERS AND
ACCOUNTABLE OFFICIALS WITHIN THE DEPARTMENT OF THE NAVY

appointed in writing. Accountable officials are also pecuniarily liable, up to certain limits, for illegal, improper, or incorrect payments resulting from the negligent performance of their duties.

The DoD directive on accountable officials and certifying officers, enclosure (1), provides policy for the implementation and administration of accountable officials and certifying officers within DoD. The directive also delegates to the DoD Components the responsibility for the designation of accountable officials and certifying officers. Within the Department of the Navy (DON), the authority to appoint accountable officials and certifying officers is assigned to the Assistant Secretary of the Navy (Financial Management and Comptroller) by the Secretary of the Navy. Exercising this authority, this office hereby delegates to Navy and Marine Corps commanders and other personnel of equivalent position and responsibility within the DON the authority to appoint accountable officials and certifying officers consistent with the applicable statutes, regulations, and DON guidance.

Specific responsibilities of certifying officers and accountable officials, both in general and as they relate to specific types of payments are contained in reference (b). Appointment as certifying officers may be general in nature or limited in scope to the type of payments associated with the individual's area of responsibility. Additionally, reference (b) discusses the qualifications of certifying officers, the selection and appointment process, the requirement for the periodic review of payments, procedures for conducting these reviews, and the requirements for requesting relief from pecuniary liability. Enclosures (2) and (3) provide samples for the appointment and acknowledgment of appointment for certifying officers and accountable officials.

The delegation of authority made herein is effective immediately and will be reflected in a forthcoming Secretary of the Navy Instruction. In the interim, DON commands should ensure that the requirement to appoint accountable officials and certifying officers is disseminated to all activities under their cognizance and that accountable officials and certifying officers are appointed in writing in accordance with reference (b).


Charles P. Neglakos
Senior Civilian Official

Distribution:
(see next page)

Subj: DELEGATION OF AUTHORITY TO APPOINT CERTIFYING OFFICERS AND
ACCOUNTABLE OFFICIALS WITHIN THE DEPARTMENT OF THE NAVY

Distribution:

AAUSN
CNO
CMC
CINCLANTFLT
CINCPACFLT
CINCUSNAVEUR
COMSC
COMNAVSPECWARCOM
COMNAVSEASYSOM
COMNAVAIRESYSOM
COMSPAWARSYSOM
CNR
COMNAVFAENGCOM
COMNAVSUPSYSOM
DIRSSP
BUMED
COMNAVPERSOM
CNET
COMNAVRESFOR
COMNAVMETOCCOM
COMNAVSECGRU
ONI
COMNAVCOMTELCOM
NAVYSMGTACT

Copy to:
DFAS



DFAS-PC/FPV

DEFENSE FINANCE AND ACCOUNTING SERVICE

PACIFIC OPERATING LOCATION
477 ESSEX STREET
PEARL HARBOR, HAWAII 96860-5806

MEMORANDUM REGARDING CERTIFYING OFFICERS LEGISLATION

SUBJECT: Accountable Officials and Certifying Officers

DoD 7000.14-R - the DoD Financial Management Regulation (FMR) - has been updated to include guidance implementing a DoD Directive on the subject topic. This guidance is found in FMR Volume 5, "Disbursing Policy and Procedures", Chapter 33.

The FMR chapter addresses qualifications and responsibilities of certifying officers, accountable officials, and disbursing officers; assignment of pecuniary liability for improper payments; and payment review requirements. It also addresses specific responsibilities of accountable officials by functional area, such as the purchase card program, temporary duty travel, contract and vendor pay, civilian and military pay, permanent change of stations, etc.

Attachment 1 highlights requirements and changes in policy, while attachment 2 outlines actions required for compliance. Attachment 3 is the Department of Navy's memorandum on delegation of authority to appoint certifying officers and accountable officials, and attachment 4 is a copy of DD Form 577, signature card. Though we have highlighted the most significant areas of the policy, we strongly urge addresses to familiarize themselves with the entire chapter as the new policy contains information too numerous to summarize here. Additionally, it is imperative that this information be disseminated to all affected personnel, as highlighted in attachment 1.

Comments or questions may be directed to either Ms. Charlene Rodrigues or Ms. Tiffany Uchimura. Ms. Rodrigues may be reached on (808) 472-7790 or emailed at <charlene.rodrigues@dfas.mil>. Ms. Uchimura may be reached on (808) 472-7740 or emailed at <tiffany.uchimura@dfas.mil>.

Michael S. Curry
MICHAEL S. CURRY
LTC, FI, USA
Deputy Director of Finance

Attachments:
As stated

The following represent key requirements and major changes to policy relative to disbursement of funds.

1. Prior to 1996 legislation, DoD did not have certifying officers, and only disbursing officers had pecuniary liability for fiscal irregularities, including erroneous payments. 31 U.S.C. 3325 and 31 U.S.C. 3528 now require certifying officers within DoD and assigns them pecuniary liability for erroneous payments.
2. Certifying officers should be supervisors and have the following minimum qualifications:
 - a. knowledge of the subject matter
 - b. background or experience in preparing payment vouchers
 - c. knowledge of appropriations or other funds and accounting classifications
 - d. knowledge of the payment process (e.g., availability of funds)
3. Personnel eligible to be appointed as certifying officers include, but are not limited to:
 - a. commanders
 - b. deputy commanders
 - c. resource managers/funds holders
 - d. travel authorizing officials
 - e. purchase card approving officials
 - f. other personnel in equivalent positions
4. Certifying officers are responsible for ensuring that information provided on payment vouchers is correct, that computations are calculated accurately, and that payment from the appropriation or fund in question is legal and appropriate. Certifying officers are also responsible for designating accountable officials from whom they receive information used in support of certifying payment.
5. Accountable officials are those personnel upon whom certifying officers rely for the information they use to certify payments. In addition to supporting the certification process, accountable officials are responsible for ensuring a system of internal controls is in place to minimize opportunity for erroneous payments, complying with all applicable DoD regulations and other guidance, and providing timely response to inquiries initiated by a review official.
6. Accountable officials are pecuniarily liable for erroneous payments only to the extent that such payments resulted from professional negligence on their part.
7. Disbursing officers are responsible for disbursing money only as provided by vouchers duly certified by authorized certifying officers. Disbursing officers are responsible for examining vouchers to ensure that they are in the proper form and returning to the certifying officer any voucher that is incomplete or is not properly certified. A disbursing officer is not eligible to serve as a certifying officer and may not appoint a certifying officer.
8. Under 31 U.S.C. 3325, disbursing officers are pecuniarily liable for erroneous payments. Coincident with the appointment of a certifying officer, an individual must be appointed to serve as a review official. The person selected to be a review official must be separate from the payment process, i.e., he or she may not also concurrently serve as an accountable official, certifying officer, or disbursing officer.

Attachment 1

The following actions are required to comply with guidance contained in the FMR:

1. Certifying officers must state to the disbursing officer that items listed are correct and proper prior to payment. This is accomplished by affixing a manual, electronic, or digital signature to a voucher.
2. The review official will randomly perform pre-payment and post-payment reviews of payments certified by the certifying officer.
3. When a review official identifies a certified payment as being of questionable legality, propriety, or correctness, the review official must issue a written inquiry to the certifying officer, directing the certifying officer to explain why the payment was certified. If requested, accountable officials and disbursing officers will assist the certifying officers in providing the explanation.
4. Review officials will maintain a file of all inquiries arising from the review process or received from other sources, such as payees. Review officials will ensure that inquiries are resolved within 30 days.
5. If, based on an inquiry, the review official determines that the payment was proper, no further action is required. If the review official determines that the payment was improper, and if recovery has not been made, the review official will raise a charge against the applicable accountable official, certifying officer, or disbursing officer. No inquiry will be closed until the review official is satisfied that appropriate collection action is being taken.
- 6. The review official will maintain files of all such charges and will close such files only upon final disposition (recovery from the payee, or relief from liability or recovery from the accountable official, certifying officer, or disbursing officer).
7. If recovery action is successful, credit will be made to the appropriation or fund that was originally charged, and the charge against the accountable official, certifying officer, or disbursing officer will be cleared.
8. If recovery action is unsuccessful, a certifying officer or disbursing officer may request relief by submitting a statement explaining how the evidence shows the absence of negligence on the officer's part; an accountable official may request relief by submitting a statement that explains how the evidence fails to show negligence on his or her part. (Note: Certifying officers and disbursing officers operate under the assumption of negligence - they must prove the absence of negligence on their part to be relieved of liability. An accountable official need only show that the evidence does not prove negligence on their part.)
9. An accountable official, certifying officer, or disbursing officer may clear a charge against them without seeking relief from liability by remitting payment in the amount charged. Such payment is handled in the same manner as in paragraph g. above.

Attachment 2

(USE APPROPRIATE LETTERHEAD)

MEMORANDUM FOR (Insert name of individual being appointed)

SUBJ: APPOINTMENT AS CERTIFYING OFFICER

Encl: 1) Acknowledgment of Appointment as Certifying Officer

You presently occupy a position wherein your duties include the functions of a certifying officer. This memorandum is formal notification that you are hereby appointed as a certifying officer to (insert name and location of the servicing disbursing office).

As a certifying officer you will be responsible for certifying payment vouchers and documents for the following types of payments: (list the specific types of payments authorized to be certified (e.g., military payroll vouchers, vendor payment vouchers, etc.)).

Chapter 33, Volume 5, of the DoD Financial Management Regulation provides a description of your responsibilities, accountability and duties as a certifying officer. You should read and become thoroughly familiar with this information and complete a DD Form 577 for each type of payment identified. After completion, the DD Form(s) 577 must be returned to me for approval and forwarding to the disbursing officer noted above. In addition, you must acknowledge this appointment and that you have read and understand your responsibilities, accountability, and duties by signature in the space provided on the acknowledgment provided at enclosure (1). For all documents you certify under this appointment, your signature must be in the form indicated by you in block 5 of the DD Form(s) 577.

(Signature of appointing Official)

Attachments:
As stated

ENCLOSURE(2)

ACKNOWLEDGMENT

MEMORANDUM FOR *(Insert Title of Appointing Official)*

SUBJECT: APPOINTMENT AS CERTIFYING OFFICER

In accordance with your memorandum of *(insert date)* I hereby execute the following statement:

"By signature hereon, I acknowledge my appointment as a certifying officer. I have read and understand my responsibilities, accountability, and duties as described in Chapter 33, Volume 5, of the DoD Financial Management Regulation. I understand that I have the right to request an advance decision under 31 U.S.C., section 3529 from the DoD Office of Deputy General Counsel (Fiscal), or designee, prior to certifying any payment which I believe to be of doubtful validity. I understand that I have the right to request relief of liability for any payment I certify that is determined to be an illegal, improper, or incorrect payment. I further understand that this appointment will remain in effect until revoked in writing by you (or your successor) or until I am transferred, separated for any reason, or retire from service."

Attached for your approval are the DD Form(s) 577, Signature Card for each type of payment I am authorized to certify.

(Signature of certifying officer)

04/12/00 15:34 FAX 202 885 0780

ASN(FMAC) FNO

2007

(USE APPROPRIATE LETTERHEAD)

MEMORANDUM FOR (Insert name of individual being appointed)

SUBJ: APPOINTMENT AS ACCOUNTABLE OFFICIAL

Encl: (1) Acknowledgment of Appointment as Accountable Official

You presently occupy a position wherein your duties include the responsibilities of an accountable official. This memorandum is formal notification that you are hereby appointed as an accountable official to (insert name and location of the supported certifying officer).

As an accountable official, you will be responsible for supporting the certification of payment vouchers and documents for the following types of payments: (list the specific types of payments authorized to be certified (e.g., military payroll vouchers, vendor payment vouchers, etc.)).

Chapter 33, Volume 5, of the DoD Financial Management Regulation provides a description of your responsibilities and pecuniary liability as an accountable official. You should read and become thoroughly familiar with these responsibilities and liability. After completion, you must acknowledge this appointment and that you have read and understand your responsibilities and liability by signature in the space provided on the acknowledgment provided at enclosure (1).

(Signature of Appointing Official)

Attachment:
As stated

ENCLOSURE(3)

04/12/00 18:54 FAX 202 655 8700

ASN(FMAG) FHO

0001

ACKNOWLEDGMENT

MEMORANDUM FOR (Insert Title of Appointing Official)

SUBJECT: APPOINTMENT AS ACCOUNTABLE OFFICIAL

In accordance with your memorandum of (insert date) I hereby execute the following statement:

"By signature hereon, I acknowledge my appointment as an accountable official. I have read and understand my responsibilities and pecuniary liability as described in Chapter 33, Volume 5, of the DoD Financial Management Regulation. I understand that I have the right to request relief of liability for any certification I supported that is determined to be an illegal, improper, or incorrect payment. I further understand that this appointment will remain in effect until revoked in writing by you (or your successor) or until I am transferred, separated for any reason, or retire from service."

(Signature of accountable official)